

## Annual Board Report

### On the Company's Businesses for the Fiscal Year Ending on December 31, 2020

#### Dear esteemed Shareholders:

The Board of Directors of Advanced Petrochemical Company ("Advanced" and/or the "Company") is pleased to present to the esteemed shareholders the annual report on the Company's performance and its business results for the fiscal year ending on December 31, 2020, accompanied with the audited financial statements, including the significant business results, developments and achievements that were achieved by the efforts of the employees and the Executive Management under the direction of the Chairman and the members of the Board of Directors to enhance the level of Its performance, status and capabilities, and achieving the aspirations of its shareholders and all its customers, as follows:

#### 1) The Main Activity of the Company and its Subsidiaries:

The main activity of the Company is in the field of manufacturing and converting petrochemicals, which includes the production of propylene and polypropylene and the marketing and selling of the final product (polypropylene) inside the Kingdom by the Company, and outside the Kingdom through international offtakers. The following table shows the revenues of the Company's main product, which is polypropylene, for the year 2020:

The Activity	The Activity Revenue (in Millions SAR)	Percentage
polypropylene	2,231	100%

#### Description of the Activity of the Subsidiary Companies of "Advanced":

##### (A) Advanced Global Investment Company:

Classification: **Internal Use**

It is a Saudi company, Single Shareholder limited liability company, established in August 2012, and its activity is to invest in industrial projects including projects relating to petrochemical and chemical industries, basic and conversion industries and industries relating to renewable energy, and to establish, operate and own industrial projects both within and outside of the Kingdom of Saudi Arabia, noting that the company does not have any revenues achieved during the year 2020. The company has only industrial investments in SK Advanced Ltd. in Ulsan City, South Korea, in which it owns 30% in equity, and the realized profits from it by the end of 2020 amounted to a total of (34.4) million Saudi riyals.

**(B) Advanced Renewable Energy Company:**

It is a Saudi company, Single Shareholder limited liability company, established in March 2012. Its activity is the production of polysilicon and its derivatives, which include photovoltaic cells and photovoltaic panels, and it has not recorded any assets, liabilities or any operations including any potential liabilities for the period ending on December 31, 2020. Consequently, there is no impact on the Company's business volume during the fiscal year 2020.

**(C) Advanced International Holding Company Ltd.**

It is a limited liability company whose activity is to invest in the production and marketing of petrochemical and chemical products, and it was registered in Luxembourg in February 2014 with a 100% investment by Advanced Global Investment Company , and the amount of the capital contribution during the year 2014 was deposited in the company's bank account and it did not register any assets, liabilities, or any operations, including any potential liabilities, for the period ending on December 31, 2020. Consequently, there is no impact on the volume of the Company's business during the fiscal year 2020.

**2) Description of the Company's Significant Plans, Decisions, Forecasts and Risks:**

Classification: **Internal Use**

### **(A) The Comprehensive Turnaround Maintenance of the Company's Complex:**

There will be a scheduled shutdown for both plants of the Company during the first quarter of 2021 to perform the necessary turnaround maintenance, including the replacement of the catalyst material, which will increase the reliability and efficiency of the operating units performance.

### **(B) Future Plans and Forecasts:**

The Company performs its activities according to the strategic plans set up by the Board of Directors, whether in managing its operations for the existing plants or in evaluating and studying some areas and available opportunities for future expansions that would maximize its shareholders' equities and contribute to the development of the national economy of the Kingdom. Below we provide a description of the future projects and forecasts of the Company's business, which are as follows:

#### **1. Propylene and Polypropylene Production Complex Project of Advanced Polyolefins Company (a company under incorporation) in Jubail Industrial City, Kingdom of Saudi Arabia:**

- Advanced Global Investment Company (a subsidiary of Advanced) on March 27, 2020 signed a Shareholders Agreement with SK Gas Petrochemical Pte. Ltd. ("SKGP, a subsidiary of SK Gas Co., Ltd.), to incorporate Advanced Polyolefins Company ("JV Co.", a Saudi Closed Joint Stock Company), to construct and operate two plants (the "Plants"), one for processing Propane Dehydrogenation ("PDH") for producing Propylene and the other for processing Propylene for producing Poly Propylene ("PP") with a nameplate capacity to manufacture 843,000 tons per annum Propylene and 800,000 tons per annum Polypropylene in Jubail Industrial City, Kingdom of Saudi Arabia (the "Project"). The total cost of the Project is currently estimated to be approximately US\$ 1.8 Billion (SR 6.75 Billion) and the Project will be financed

**Classification: Internal Use**

25% by equity from the two shareholders and the remaining 75% will be financed by the JV Co. through borrowing from lenders. AGIC will own 85% equity stake in the JV Co. which will be financed by Advanced while the remaining 15% will be owned by SKGP.

It is worthwhile to mention that AGIC has signed a Conditional Investment Agreement letter with Royal Commission for a land allocation in the Primary Industries Area in Jubail II in Jubail Industrial City. AGIC has also signed a license agreement with Lummus Technology LLC, USA for the use of CATOFIN Technology for PDH plant and also has signed two license agreements with Basell Poliolefine Italia S.r.l., Italy for the use of SPHERIPOL Technology and SPHERIZONE Technology for two units in the PP plant with capacity of 400 KTA each. Project Management Consultant has also been selected for the Project. The JV Co. expects to begin construction in 2021 and will be supplied with Propane (main feedstock) from Saudi Aramco on a long term basis. The financial impact of the above investment is expected after the commencement of commercial operations of the Project by 2nd half of 2024.

- Advanced Global Investment Company on 8th October 2020, signed an Amendment to the above mentioned Shareholders Agreement with SKGP, to add an Isopropanol (IPA) plant with a capacity of 70,000 tons per annum. The inclusion of IPA is part of the national strategy to promote the downstream industry in line with the Kingdom's Vision 2030. The IPA is used in variety of applications including hand sanitizers, medical applications, electronics industry, etc. By adding the IPA plant with an estimated cost of US\$ 80 million (SR 300 million), the total cost of the Project (PDH, PP & IPA Plants) is currently estimated to be approximately US\$ 1.88 Billion (SR 7.05 Billion). The Project will be financed 25% by equity from shareholders and the remaining 75% will be financed by JV Co. through borrowing from lenders. AGIC will own 85% equity stake in JV Co. which will be financed by Advanced while the remaining 15% will be owned by SKGP. The financial impact of the above investment is

**Classification: Internal Use**

expected after the commencement of commercial operations which is expected by 2nd half of 2024.

- With regards to financing, Advanced Polyolefins Company (APOC) on December 3, 2020 signed a letter of conditional loan approval from Saudi Industrial Development Fund (“SIDF”) with a value of SAR three (3) billion, which can be withdrawn up to 29/12/1446H. The loan is repayable in 16 semi-annual installments, starting from 15/02/1448H over a period of eight years against mortgage on all fixed assets of APOC to SIDF as well as providing corporate guarantees from the shareholders of APOC. This facility from SIDF will be utilized to finance the construction of Propane Dehydrogenation (“PDH”) and Polypropylene (“PP”) plants with a nameplate capacity to manufacture 843,000 tons per annum Propylene and 800,000 tons per annum Polypropylene in Jubail Industrial City, Kingdom of Saudi Arabia. It is worthwhile to note that the binding loan agreement with SIDF will be signed after completing the formalities and requirements as stipulated by SIDF in the conditional loan approval. No related parties are involved in this transaction.
- Further, Advanced Global Investment Company on December 28, 2020 signed long-term off-take agreements with Vinmar International LLC of USA (250,000 metric tons per annum), Tricon Dry Chemicals LLC of USA (250,000 metric tons per annum) and Mitsubishi Corporation of Japan (120,000 metric tons per annum) for the sale of Polypropylene to be manufactured by APOC. These agreements will be effective from the date of commercial operations of APOC until December 31, 2028. The signing of these off-take agreements will have impact on the financial results for these years based on prevailing market prices. Securing a long-term off-take commitment from these renowned and experienced off-takers is a significant milestone for the success of this joint venture, and represents confidence in Advanced’s capabilities and expertise and will also help to achieve Advanced's long term strategic plans and will

**Classification: Internal Use**

improve the profitability of Advanced and APOC due to the fair and competitive commercial terms.

## **2. The Joint Venture Project between Sk Advanced and Polymirae Company to Construct a Polypropylene Manufacturing Plant in South Korea:**

The purpose of the joint venture project between Sk Advanced and Polymirae Company Ltd. is to construct a polypropylene manufacturing plant in South Korea with a design capacity to produce 400,000 metric tons per annum, in which Advanced Global Investment Company owns 30% of the capital of SK Advanced. The estimated total project cost is approximately US\$ 420 Million which would be financed with 60% debt and 40% equity, wherein SK Advanced would have 49.99% ownership of the project (Ulsan PP Co. Ltd.).

It is noteworthy to mention that, currently SK Advanced is operating a PDH plant in South Korea since 2016 with design capacity to produce 600,000 metric tons per annum of Propylene, while PolyMirae is currently operating four PP Spheripol production lines in South Korea with a total capacity of 700,000 metric tons per annum.

The importance of the joint venture project for SK Advanced is not only that it owns 49.99% of the capital of the project but also that it will secure the sale of its propylene products in the local market in the long term through this joint venture, as the project will be supplied with propylene (as feedstock) from SK Advanced on a long term basis.

As for the construction activities, it is proceeding according to the plan, and it is expected that operations will start in the first quarter of 2021. The polypropylene production plant will be one of the largest of its kind in the Asian region and will use SPHERIPOL technology of Lyondell Basell, one of the leading industrial companies.

**Classification: Internal Use**

Polypropylene produced from this new plant will be sold to local customers in the Republic of South Korea, as well as exported to Asian region and the rest of the world for use in car parts, injection molding, blowing molding and packaging films.

### **3. Advanced Petrochemical Company signed Heads of Agreement for the Development of Pygas and Pyoil Downstream Project in Saudi Arabia:**

In addition to the announced information in the report of the Board of Directors for the fiscal year 2017 regarding this project, consultations are still ongoing between the two parties in an effort to reach a joint investment decision, noting that any material developments will be announced in a timely manner in accordance with applicable laws and regulations.

### **3) Information Related to the Risks Exposures of the Company and the Policy for Managing and Controlling these Risks:**

The risk assessment process is carried out continuously at the strategic and operational level, whereby the relevant procedures are monitored periodically and continuously in order to deal with them and take the necessary measures and preventive measures to prevent or minimize these risks.

The Board of Directors continuously reviews the Company's policies related to risk management to ensure that the approved policies and programs are implemented in order to minimize the risks that the Company may face. The Executive Management of the Company also ensures that the risk management processes and the followed systems operate efficiently at all levels of the Company.

**Classification: Internal Use**

Advanced, similar to the rest of the industrial companies, may be sometimes exposed to some interruptions of its operating units, and to minimize the risks of these interruptions, the Company applies a comprehensive reliability program for all its units, in addition to procuring comprehensive insurance for all its assets and business. The Company continuously monitors the management of these risks and takes preventive measures that contribute to raising awareness and limiting their impact.

With regard to financing risks related to the Company's annual budget and its investments, the Company always maintains sufficient flexibility in managing its expenditures and investments according to the available sources of financing, which are arranged from several options, including cash flows from operations and bank loans.

Also, Advanced, as one of the petrochemical companies, is exposed to fluctuations in the prices of feedstock and petrochemical products, and it works to limit these effects by reducing costs, and improving the levels of reliability of its plants to ensure the continuity of production and sales operations in areas with higher returns.

There are also cyber security risks, such as cyber-attacks on sensitive systems and data centers. The Company has a preventive plan to respond to incidents and cyber attacks by choosing the best modern technologies to monitor and early response to cyber-attacks as well as plans for disaster response and recovery and business continuity plans, in addition to educating the Company's employees in dealing with such intrusions. In this regard, the Company also applies the policies approved by the National Cybersecurity Authority and the High Commission for Industrial Security in protecting the cyber security of the Company.

In early 2020, the epidemic of the new Corona virus (Covid-19) and its spread across Chinese lands and then to the whole world, has caused the disruption of business and economic activity around the world. Upon the declaration by the World Health Organization of this disease as a pandemic, the Company's management had to review its operating, financial and health policies and conducted an assessment of the impact on the Company's operations as a whole and the business areas, including the supply chain, travel restrictions and sale prices of products, etc. The Company carries out continuous follow-up to reduce this effect and takes the necessary preventive measures. It is worthwhile to mention that, by adopting all required measures and close follow up on business requirements, the plant has been maintained at normal operational levels during the pandemic including the sales as well.

#### 4) The Company's Assets, Liabilities and Business Results for the Last Five Financial Years:

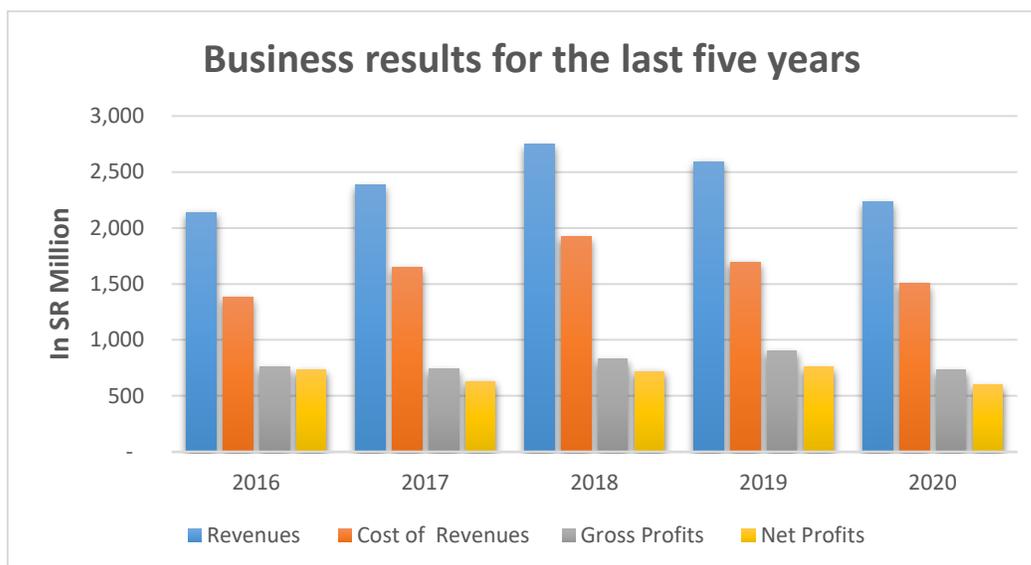
Advanced Petrochemical Company has a strong financial position and positive financial indicators that help in continuous growth, and strengthen its position in the local and global markets. The following table and graph shows the business results for the last five fiscal years:

##### (A) Business results for the last five years:

Amount in Million SAR					
Statement	2016	2017	2018	2019	2020
Revenues	2,139	2,384	2,748	2,594	2,231
Cost of Revenues	1,381	1,646	1,921	1,695	1,502
Gross Profits	758	738	827	899	729

Classification: **Internal Use**

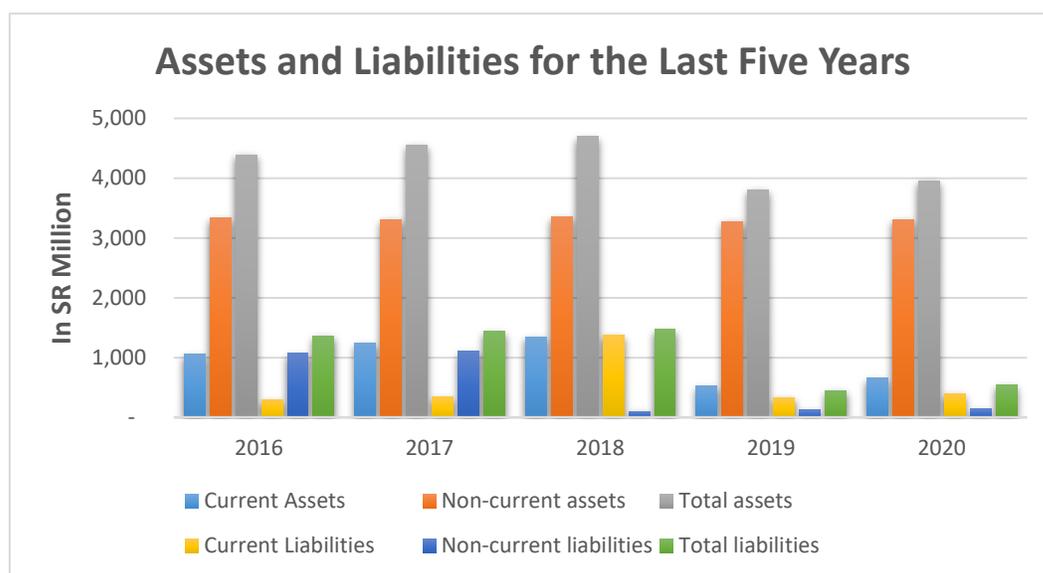
Net Profits	731	631	717	759	596
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Classification: **Internal Use**

**(B) Assets and Liabilities for the Last Five Years:**

Amount in Million SAR					
Statement	2016	2017	2018	2019	2020
Current Assets	1,061	1,241	1,344	530	653
Non-current assets	3,331	3,311	3,353	3,273	3,305
Total assets	4,392	4,552	4,697	3,803	3,958
Current Liabilities	294	337	1,370	328	397
Non-current liabilities	1,069	1,102	103	124	142
Total liabilities	1,363	1,439	1,473	452	539



**5) Geographical distribution of sales:**

Classification: **Internal Use**

The following geographical analysis shows the total revenues of Advanced Petrochemical Company by geographical areas:

Geographical Analysis of the Total Revenues of Advanced Petrochemical Company (in Millions SAR)									
Year	Other Countries	Local Market	Africa	Europe	India	Asia and the Pacific	Turkey	China	Total Revenues
2020	112	72	87	47	537	513	472	391	2,231

**6) Clarification of the operating results compared to the results of the previous year:**

Amount in Thousands SAR				
Statement	2020	2019	Changes +/-	Change Percentage
Sales / Revenue	2,231,354	2,594,508	(363,151)	(% 13,99)
Cost of Sales / Revenue	(1,502,135)	(1,695,009)	192,874	%11.38
Gross Profit	729,219	899,499	(170,280)	(18.93%)
Other Operating Revenues	31,904	56,394	(24,490)	(%43,42)
Other Operating Expenses	(136,765)	(167,276)	30,511	%18.24
Operating Profit (Loss)	592,454	732,223	(139,769)	(%19,09)
Net Profit	595,589	759,308	(163,719)	(%21,56)

Classification: Internal Use

Net profit for the year 2020 decreased by 21.5% compared to 2019, the main reasons for that are the following:

- Decrease in the price and the quantity of sales of the polypropylene product by 12.2% and 2.1%, respectively.
- The decrease by 55.1% in 2020 share of profits from investment in SK Advanced (a subsidiary in the Republic of Korea).
- The decrease in the aforementioned net profit is despite the decrease in the prices of propane and propylene purchased from outside sources by 15.4% and 10.7% respectively, the decrease in the consumption of propylene purchased from outside sources by 6.5%, the decrease in general and administrative expenses by 21.9%, and the decrease in the interest of loans by 86.1%.

#### **7) Clarification of any Difference from Accounting Standards:**

The financial statements of the Company during the fiscal year ending on 31 December 2020 were prepared in accordance with the International Financial Reporting Standards approved in the Kingdom of Saudi Arabia.

#### **8) Subsidiaries:**

The subsidiaries of the Advanced Petrochemical Company are as following:

Subsidiary's Name	Capital	Ownership percentage of the Company in it	Main Activity	Country of Operations	Country of Incorporation

Classification: **Internal Use**

Advanced Global Investment Company	SAR 1,000,000	100%	Investments in industrial projects, including those projects related to basic and conversion petrochemical and chemical inside and outside the Kingdom of Saudi Arabia	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Advanced Renewable Energy Company	SAR 1,000,000	100%	Production of polysilicon and its derivatives, which include photovoltaic cells and photovoltaic panels	Kingdom of Saudi Arabia	Kingdom of Saudi Arabia
Advanced International Holding Company Ltd.	SAR 375,000	100%	Investment, trade and marketing of petrochemical and chemical products	The company operates in the continents of Europe, America and Asia	Luxembourg

Classification: **Internal Use**

### 9) Shares and Debt Instruments Issued for Each Subsidiary:

No subsidiary of Advanced has issued shares or debt instruments.

### 10) The Company's Policy on Dividend Distribution:

The annual net profits of the Company are distributed in accordance with the provisions of the Company's Bylaws and the Dividends Distribution Policy, as follows:

1. Ten percent (10%) of the net profits is set aside to form the statutory reserve. Such setting aside may be discontinued by the Ordinary General Assembly when the statutory reserve reaches thirty (30%) percent of the Company's capital.
2. The Ordinary General Assembly may, upon request of the board of directors, set aside a certain percentage of the annual net profits to form an additional reserve to be allocated for a certain purpose or purposes as may be approved by the Ordinary General Assembly.
3. The Ordinary General Assembly may resolve to form other reserves to the extent that achieves the interests of the Company or ensures the distribution of fixed dividends - as much as possible – to the shareholders. The said Assembly may also withhold certain amounts from the net profits for establishing social organizations for the Company's employees, or for supporting any such existing organizations.
4. The remaining balance shall be distributed to the shareholders as a first payment of dividends equaling at least five percent (5%) of the paid up capital.

The Company may distribute interim dividends to its shareholders on a biannual or quarterly basis in accordance with the rules set out by the competent authority.

	Percentage of Profits Distributed During 2020	Proposed Profit Percentages	Total profits (distributions)

Classification: **Internal Use**

	14/05/2020 Q1, 2020	23/07/2020 Q2, 2020	09/11/2020 Q3, 2020	to be Distributed at the End of 2020 Q4, 2020	
<b>Percentage</b>	6.5%	6.5%	6.5%	6.5%	26%
<b>Total</b>	140.7 Million	140.7 Million	140.7 Million	140.7 Million	562.8 Million

### 11) Persons' Interests in the Shares of the Company :

There is no interest in the class of shares that are eligible to vote for any person during the fiscal year ending on December 31, 2020.

### 12) Interests and Rights of the Board Members and Senior Executives in the Company's Shares:

A) The percentage of ownership by members of the Board of Directors, including their relatives in Advanced Petrochemical Company and debt instruments, and any change in that interest during the fiscal year 2020:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Mr. Khalifa Abdullatif Abdullah Al-Mulhem	Chairman of the Board	8.994.724	-----	9.142.249	-----	147.525	1.6%
Mr. Waleed Mohammed Abdullah Al-Jaafari	Vice Chairman of the Board	1.041.494	-----	1.041.494	-----	0	0%
Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	Board Member	1.564	-----	1.578	-----	14	1%

Classification: **Internal Use**

Eng. Sami Abdulaziz Mohammed Al-Suwaigh	Board Member	1.320	-----	8.761	-----	7.441	564%
Dr. Sultan Mohammad Ahmed Al-Sulaiman	Board Member	0	-----	0	-----	0	0%
Eng. Mohammed Khalifah Abdullatif Al-Mulhem	Board Member	25.140	-----	40.284	-----	15.144	60%
Eng. Abdulaziz Abdullah Megbel Al-Habardi	Board Member	9.145	-----	0	-----	0	(100%)
Dr. Badr Osama H. Johar	Board Member	11	-----	11	-----	0	0%
Dr. Ali Siddiq Ali Al-Hakami	Board Member	0	-----	0	-----	0	0%

The percentage of ownership of Senior Executives and their relatives in Advanced Petrochemical Company and debt instruments, and any change in that interest during the fiscal year 2020:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Fahad Salem Al Matrafi	CEO	0	-----	0	-----	0	0%
Mamdouh H Al Amri	VP Project	0	-----	0	-----	0	0%
Ahmed Bu Hazza	Supply Chain GM	152	-----	53	-----	99	(65%)

Classification: **Internal Use**

Ali Al-Shahrani	Operations GM	0	-----	0	-----	0	0%
Patrick Townsend	CFO	0	-----	0	-----	0	0%
Mohammed S. Al Otaibi	Administration GM	0	-----	10	-----	0	N/A
Abdullah A. Boaysha	Technical GM	0	-----	0	-----	0	0%

B) The percentage of ownership by members of the Board of Directors and their relatives in Advanced Global Investment Company and debt instruments, and any change in that interest during the fiscal year 2020:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Mr. Khalifa Abdullatif Abdullah Al-Mulhem	Chairman of the Board	0	-----	0	-----	0	0%
Mr. Waleed Mohammed Abdullah Al-Jaafari	Vice Chairman of the Board	0	-----	0	-----	0	0%
Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	Board Member	0	-----	0	-----	0	0%
Eng. Sami Abdulaziz Mohammed Al-Suwaigh	Board Member	0	-----	0	-----	0	0%

Classification: **Internal Use**

<b>Dr. Sultan Mohammad Ahmed Al-Sulaiman</b>	Board Member	0	-----	0	-----	0	0%
<b>Eng. Mohammed Khalifah Abdullatif Al-Mulhem</b>	Board Member	0	-----	0	-----	0	0%
<b>Eng. Abdulaziz Abdullah Megbel Al-Habardi</b>	Board Member	0	-----	0	-----	0	0%
<b>Dr. Badr Osama H. Johar</b>	Board Member	0	-----	0	-----	0	0%
<b>Dr. Ali Siddiq Ali Al-Hakami</b>	Board Member	0	-----	0	-----	0	0%

The percentage of ownership of Senior Executives and their relatives in Advanced Global Investment Company and debt instruments, and any change in that interest during the fiscal year 2020:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
<b>Fahad Salem Al Matrafi</b>	CEO	0	-----	0	-----	0	0%
<b>Mamdouh H Al Amri</b>	VP Project	0	-----	0	-----	0	0%
<b>Ahmed Bu Hazza</b>	Supply Chain GM	0	-----	0	-----	0	0%

Classification: **Internal Use**

Ali Al-Shahrani	Operations GM	0	-----	0	-----	0	0%
Patrick Townsend	CFO	0	-----	0	-----	0	0%
Mohammed S. Al Otaibi	Administration GM	0	-----	0	-----	0	0%
Abdullah A. Boaysha	Technical GM	0	-----	0	-----	0	0%

C) The percentage of ownership by members of the Board of Directors and their relatives in Advanced Renewable Energy Company and debt instruments, and any change in that interest during the fiscal year 2020:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Mr. Khalifa Abdullatif Abdullah Al-Mulhem	Chairman of the Board	0	-----	0	-----	0	0%
Mr. Waleed Mohammed Abdullah Al-Jaafari	Vice Chairman of the Board	0	-----	0	-----	0	0%
Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	Board Member	0	-----	0	-----	0	0%
Eng. Sami Abdulaziz Mohammed Al-Suwaigh	Board Member	0	-----	0	-----	0	0%

Classification: **Internal Use**

<b>Dr. Sultan Mohammad Ahmed Al-Sulaiman</b>	Board Member	0	-----	0	-----	0	0%
<b>Eng. Mohammed Khalifah Abdullatif Al-Mulhem</b>	Board Member	0	-----	0	-----	0	0%
<b>Eng. Abdulaziz Abdullah Megbel Al-Habardi</b>	Board Member	0	-----	0	-----	0	0%
<b>Dr. Badr Osama H. Johar</b>	Board Member	0	-----	0	-----	0	0%
<b>Dr. Ali Siddiq Ali Al-Hakami</b>	Board Member	0	-----	0	-----	0	0%

The percentage of ownership of Senior Executives and their relatives in Advanced Renewable Energy Company and debt instruments, and any change in that interest during the fiscal year 2020:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
<b>Fahad Salem Al Matrafi</b>	CEO	0	-----	0	-----	0	0%
<b>Mamdouh H Al Amri</b>	VP Project	0	-----	0	-----	0	0%

Classification: **Internal Use**

<b>Ahmed Bu Hazza</b>	Supply Chain GM	0	-----	0	-----	0	0%
<b>Ali Al-Shahrani</b>	Operations GM	0	-----	0	-----	0	0%
<b>Patrick Townsend</b>	CFO	0	-----	0	-----	0	0%
<b>Mohammed S. Al Otaibi</b>	Administration GM	0	-----	0	-----	0	0%
<b>Abdullah A. Boaysha</b>	Technical GM	0	-----	0	-----	0	0%

D) The percentage of ownership by members of the Board of Directors and their relatives in Advanced International Holding Company Ltd. and debt instruments, and any change in that interest during the fiscal year 2020:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Mr. Khalifa Abdullatif Abdullah Al-Mulhem	Chairman of the Board	0	-----	0	-----	0	0%
Mr. Waleed Mohammed Abdullah Al-Jaafari	Vice Chairman of the Board	0	-----	0	-----	0	0%
Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	Board Member	0	-----	0	-----	0	0%
Eng. Sami Abdulaziz	Board Member	0	-----	0	-----	0	0%

Classification: **Internal Use**

Mohammed Al-Suwaigh							
Dr. Sultan Mohammad Ahmed Al-Sulaiman	Board Member	0	-----	0	-----	0	0%
Eng. Mohammed Khalifah Abdullatif Al-Mulhem	Board Member	0	-----	0	-----	0	0%
Eng. Abdulaziz Abdullah Megbel Al-Habardi	Board Member	0	-----	0	-----	0	0%
Dr. Badr Osama H. Johar	Board Member	0	-----	0	-----	0	0%
Dr. Ali Siddiq Ali Al-Hakami	Board Member	0	-----	0	-----	0	0%

The percentage of ownership of Senior Executives and their relatives in Advanced International Holding Company Ltd. and debt instruments, and any change in that interest during the fiscal year 2020:

Names of Directors	Capacity	At the Beginning of the Year		At the End of the Year		Net Change	Percentage Change
		No. of Shares	Debt Instruments	No. of Shares	Debt Instruments		
Fahad Salem Al Matrafi	CEO	0	-----	0	-----	0	0%

Classification: **Internal Use**

Mamdouh H Al Amri	VP Project	0	-----	0	-----	0	0%
Ahmed Bu Hazza	Supply Chain GM	0	-----	0	-----	0	0%
Ali Al-Shahrani	Operations GM	0	-----	0	-----	0	0%
Patrick Townsend	CFO	0	-----	0	-----	0	0%
Mohammed S. Al Otaibi	Administration GM	0	-----	0	-----	0	0%
Abdullah A. Boaysha	Technical GM	0	-----	0	-----	0	0%

### 13) Total Debts of the Company and its Subsidiaries:

Total Debts were disclosed in the audited financial statements for the year 2020, and the following are the details of the total facilities and information related to Advanced Petrochemical Company during the fiscal year 2020:

Amount in Million SAR							
No.	Statement	Lender	Loan Amount	Duration	Paid Amount during 2020	Remaining Amount	Total Debts
1.	Islamic Credit Facilities	Samba Financial Group	250	5 years	-----	-----	----- -
2.	Islamic Credit Facilities	Several Shared Banks	1,500	5.5 years	-----	-----	----- -

As for Advanced Global Investment Company, Advanced Renewable Energy Company, and Advanced International Holding Company Ltd., they do not have any liabilities or loans obtained from any financing entity during the year 2020.

Classification: **Internal Use**

**14) Description of Debt Instruments Convertible into Shares and any Contractual Financial Securities or Subscription Notes:**

There are no debt instruments convertible into shares, contractual financial securities, subscription right notes, or similar rights issued or granted by the Company during the fiscal year ending on December 31, 2020.

**15) Description of Transfer and Subscription Rights and any Contractual Financial Securities:**

There are no transfer or subscription rights under debt instruments convertible into shares, contractual financial securities, subscription rights memoranda, or any similar rights issued or granted by the Company during the year 2020.

**16) Description of Recoverable Debt Instruments:**

There is no recovery, purchase or cancellation by the Company of any recoverable debt instruments.

### 17) Board of Directors Meetings:

The Board of Directors held four meetings during the year 2020 to discuss the topics included in a documented and specified agenda in accordance with its powers, and attendance of the meetings was as follows:

No.	Board Meetings During 2020					Total Attendance
	Names	1 <sup>st</sup> Meeting 31/3/2020	2 <sup>nd</sup> Meeting 23/6/2020	3 <sup>rd</sup> Meeting 29/9/2020	4 <sup>th</sup> Meeting 21/12/2020	
1	Mr. Khalifa Abdullatif Abdullah Al- Mulhem	✓	✓	✓	✓	4
2	Mr. Waleed Mohammed Abdullah Al- Jaafari	✓	✓	✓	✓	4
3	Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	✓	✓	✓	✓	4
4	Eng. Sami Abdulaziz Mohammed Al-Suwaigh	✓	✓	✓	✓	4
5	Dr. Sultan Mohammad Ahmed Al- Sulaiman	✓	✓	✓	✓	4
6	Eng. Mohammed Khalifah	✓	✓	✓	✓	4

Classification: **Internal Use**

	Abdullatif Al-Mulhem					
7	Eng. Abdulaziz Abdullah Megbel Al-Habardi	✓	✓	✓	✓	4
8	Dr. Badr Osama H. Johar	✓	✓	✓	✓	4
9	Dr. Ali Siddiq Ali Al-Hakami	✓	✓	✓	✓	4

**18) The Company's requests for the Shareholders Register, and the Dates and Reasons for such Requests:**

Number of Requests	Date of Request	Reasons for the Request
1	02/01/2020	Corporates Procedures
2	03/02/2020	Corporates Procedures
3	02/03/2020	Corporates Procedures
4	31/03/2020	General Assembly
5	02/04/2020	Dividends file
6	27/04/2020	Dividends file
7	04/05/2020	Corporates Procedures
8	04/06/2020	Corporates Procedures
9	02/07/2020	Dividends file
10	02/07/2020	Corporates Procedures
11	09/08/2020	Corporates Procedures
12	22/10/2020	Dividends file
13	03/11/2020	Corporates Procedures
14	02/12/2020	Corporates Procedures

Classification: **Internal Use**

**19) Transactions between the Company and Related Parties:**

The contracting party	The related party	the nature of the contract	contract period	Total Value
Walaa Cooperative Insurance Company	Walaa Cooperative Insurance Company. Since both Mr. Khalifa Abdullatif Abdullah Al-Mulhem and Mr. Waleed Mohammed Abdullah Al-Jaafari are members of the Board of Directors of the two companies (Advanced Petrochemical Company and Walaa Cooperative Insurance Company ).	Providing multiple insurance coverages.	From August 2, 2020 until August 2, 2021	SAR 9,532,870
Allied Arabian Maintenance & Trade Co.	Allied Arabian Maintenance & Trade Co. in which Mr. Sami Abdulaziz Mohammed Al-Suwaigh owns 14% of its capital.	Providing manpower Services	From January 1, 2020 until December 31, 2020	SAR 9,811,940.59

**20) Interests in Company contracts:**

There are interests as explained in No. (19) as following:

Classification: **Internal Use**

1. Mr. Khalifa bin Abdul Latif Al-Melhem and Mr. Walid bin Muhammad Al-Jaafari in the contract entered into with Walaa Cooperative Insurance Company, as they are members of the board of directors of the two companies (Advanced Petrochemical Company & Walaa Cooperative Insurance Company).
2. Mr. Sami Abdulaziz Mohammed Al-Suwaigh in the contract entered into with Allied Arabian Maintenance & Trade Co. as he is a shareholder in the contracting Company.

**Noting that the both transactions do not include preferential terms, as carried out in accordance with the same terms and conditions followed by the Company with all contractors and dealers.**

**21) Waivers of Remunerations:**

There are no waiver arrangements or agreement under which a member of the Company's Board of Directors or one of the Senior Executives has waived any bonuses.

**22) Shareholders' Waivers of Rights to Profits:**

There were no arrangements or agreements whereby any of the shareholders waived their rights to profits during the year 2020.

**23) Due Government Payments:**

Amount in SAR				
Statement	2020		Description in Brief	Reasons
	Paid	Due at Year-end and not Paid		
Zakat	21,834,975	27,768,121	Company 's Zakat	Mandatory

Classification: **Internal Use**

Tax	1,000,783	859,782	Company 's Tax	Mandatory
GOSI	13,974,116	1,310,395	Payment of GOSI subscriptions	Mandatory
Passports & Visas Costs	572	-	Payment of Visas & Passports fees for employees	Mandatory
Fees for Issuing Labor permits	201,196	-	Payments of Iqamas' fees for employees	Mandatory

#### 24) Incentive Programs for the Company's Employees:

As the Company keens and values its employees, who are considered as the most valuable resources in its continuous successes, the Company has developed the following incentive programs:

##### A) Shares Ownership Program for Company's Employees:

The Company applies the share ownership program for employees who have successfully completed the agreed period according to the terms of the program mechanism, in cooperation with Riyadh Capital. The Company will continue to implement the incentive program for the employees to retain them and ensure the continuity and enhancement of their performance at its best levels, and make their utmost efforts to serve the Company and achieve its desired goals.

##### B) Saving Program

The Company took the initiative to create thrift and saving program (optional) in order to motivate the Company's employees and ensure a better future for them and their families, where the Company deducts a part of the salary based on the employee's desire in order to invest such contribution for the interest of the employee participating in the program. The Company chooses suitable areas to invest the program's funds in accordance with the Islamic investment requirements.

Classification: **Internal Use**

The employee's entitlement to the Company's contribution is also calculated according to the principles laid down by the Company, starting from 10% upon completion of the first year of participation and reaching 100% upon completion of the tenth year of participation, and the employee's entitlements from this contribution are calculated in the event that the subscription ends according to the applicable policy.

### **C) Home Ownership Program for Saudi Employees**

The program aims to provide the opportunity for Saudi employees working for it and who meet the terms of the program to own housing units, within the framework of the approved policy to secure stability and comfort for its employees and motivate them to continue and work for the Company. The Company built 220 residential villas through two phases of the project in Jalmudah neighborhood In Jubail Industrial City, and housing units were handed over to Saudi employees.

#### **25) Accounting records, internal audit system and the Company's ability to continue its activity:**

Based on the auditor's report, current market results and data, and future indicators, the Company acknowledges the following:

- That the account records were prepared correctly.
- The internal control system was prepared on a sound basis and was effectively implemented.
- There is no doubt about the Company's ability to continue its activity.

#### **26) Company 's External Auditor's Report:**

The 14<sup>th</sup> Ordinary General Assembly, held on March 31, 2020, approved the appointment of Ernst & Young as the External Auditor for the Company's accounts for the fiscal year 2020 AD, and the report of the Company's External Auditor did not include any reservations on the annual financial statements.

#### **27) Recommendation of the Board regarding the Company's External Auditor:**

No recommendation has been issued by the Board of Directors to replace the External Auditor since its approval in the 14<sup>th</sup> Ordinary General Assembly.

## 28) The Implemented and the Non-implemented Provisions of the Corporate Governance Regulations, and the Reasons for That:

The Company complies with and applies all the provisions mentioned in the Corporate Governance Regulations issued by the Capital Market Authority, with the exception of the provisions Listed below:

Article/Paragraph No.	Text of the Article/Paragraph	Reasons for Non-Compliance
32/b	The Board shall convene no less than four meetings per year, and no less than one meeting every three months.	This is a guiding provision. The Board meets in accordance with the provision No. (22) of the Company's Bylaws.
38	The conditions that the secretary must meet.	This is a guiding provision. The Board secretary is appointed in accordance with the provision No. (21) of the Company's Bylaws.
39	Training the Board members and the executive management.	This is a guiding provision. Nomination and Remuneration Committee conduct some assessment means in assessing them.
41	Assessment the Board members and the executive management.	This is a guiding provision.
54	The chairman of the audit committee shall be an Independent Director.	This is a guiding provision.
70	Composition of the Risk Management Committee	These are guiding provisions.

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71	Competencies of the Risk Management Committee	The Company's management continuously reviews the Company's policies related to risk management to ensure the implementation of approved policies and programs in order to reduce the risks that the Company may face. The senior executive of the Company also ensures that the risk management processes and the followed systems operate efficiently at all levels of the Company
72	Meetings of the Risk Management Committee	
76	Composing An Internal Audit Unit or Department.	These are guiding provisions. The Audit Committee examine periodic reports on the evaluation of internal control procedures in terms of organization and application, and many periodic and special review processes have been implemented that would ensure the accuracy and effectiveness of performance and quality, in addition to contributing to the review of the initial financial statements and their approval based on the delegation of powers by the Board of Directors and coordinates the work of the
77	Internal Audit Plan.	
78	Internal Audit Report.	

Classification: **Internal Use**

		external supervisory authorities.
83	Regulating the Relationship with Stakeholders	This is a guiding provision. The Bylaws of the Company, the policies and regulations approved by the General Assembly and the Board of Directors, and the relevant laws and regulations guarantee the protection and preservation of the rights of stakeholders.
85	Employee Incentives.	This is a guiding provision. The Company adopts several programs for developing and motivating employees within its policies.
87	Social Responsibility.	This is a guiding provision.
88	Social Initiatives.	The Company makes an effective contribution to many social aspects, as explained in Item No. (40) of this report.
89/3	The Company's website shall include all information required to be disclosed and any details or other information that may be published through other disclosure methods.	This is a guiding provision. The Company publishes any information and data required to be disclosed according to the laws and regulations in the manner specified by the Capital Market Authority.
95	Formation of a Corporate Governance Committee	This is a guiding provision. The Company's executive management, in coordination with the audit

Classification: **Internal Use**

		committee, works on developing corporate governance rules, monitoring their implementation, verifying their effectiveness, and amending them when needed.
93/b	The disclosures in this article and in the Board report shall be pursuant to the appended schedule.	The Company has submitted to CMA a request to for exception and still under review.

**29) Names of Members of the Board of Directors, Committee Members, and Executive Management, and their Current and Previous Positions, Qualifications and Experiences:**

**A) Members of the Board of Directors:**

No	Name	Current Position	Previous Position	Qualifications	Experiences
1	Mr. Khalifa Abdullatif Abdullah Al-Mulhem	Chairman of Khalifa Abdullatif Abdullah Al-Mulhem Ltd. Co.	Saudi Industrial Development Fund. Membership in several BoDs (SABB, Saudi Spanish Bank, Walaa Cooperative Insurance Company & NSCSA "Bahri").	Bachelor in Business Administration.	Industrial and commercial projects, management of banking sector and banking services.

Classification: **Internal Use**

2	Mr. Waleed Mohammed Abdullah Al-Jaafari	Chairman and Managing Director of al-dawaa medical services co. ltd	General Manager and board member of Gulf Stevedoring Contracting Co.	Bachelor in Commerce – economics.	Medical services – contracting and investment – food sector.
3	Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	Regional manager of the Banque Saudi Fransi	Regional manager of the Saudi Hollandi Bank	Bachelor in Business Administration.	banking sector and banking services.
4	Eng. Sami Abdulaziz Mohammed Al-Suwaigh	Retired	President of Saudi Petrochemical Company (SADAF), SABIC.	Bachelor in industrial management.	Petrochemical sector.
5	Dr. Sultan Mohammed Ahmed Al-Sulaiman	Manager of real estate projects Department in GOSI.	GOSI	Bachelor in mechanical engineering. Master in mechanical engineering. Master in Business Administration. PhD in Projects Management.	Management of real estate projects.
6	Eng. Mohammed Khalifah	Business Development Manager at	Civil engineer at the Saudi Arabian Oil	Bachelor in civil engineering.	Industrial and

Classification: **Internal Use**

	Abdullatif Al-Mulhem	the Buildings System for Concrete Factory	Company (Aramco)		commercial projects.
7	Eng. Abdulaziz Abdullah Megbel Al-Habardi	Retired	Arabian Petrochemical Company (PETROKEMYA), SABIC.	Bachelor in mechanical engineering.	Petrochemical sector.
8	Dr. Badr Osama H. Johar	CEO of Arabian Cement Co.	CEO of Najran Cement Company.	Bachelor of Industrial Engineering. Master of Engineering Management. PhD in Industrial Engineering.	Cements Industry Sector.
9	Dr. Ali Siddiq Ali Al-Hakami	Secretary-General of the King Abdullah Foundation for Humanitarian works.	CEO of Tatweer for Educational Services.	Bachelor degree in Psychology MSc in Industrial and Organizational Psychology PhD in Psychology in Decision Making and Management	The field of education, training and development .

## B) Committees Members:

No	Name	Current Position	Previous Position	Qualifications	Experiences
1	Mr. Khalifa Abdullatif Abdullah Al-Mulhem	Chairman of Khalifa Abdullatif Abdullah Al-Mulhem Ltd. Co.	Saudi Industrial Development Fund. Directors in many boards (SABB, Saudi Spanish Bank, Walaa Cooperative Insurance Company & NSCSA "Bahri").	Bachelor in Business Administration.	Industrial and commercial projects, management of banking sector and banking services.
2	Mr. Waleed Mohammed Abdullah Al-Jaafari	Chairman and Managing Director of al-dawaa medical services co. ltd	General Manager and board member of Gulf Stevedoring Contracting Co.	Bachelor in trading – economics.	Medical services – contracting and investment – food sector.
3	Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	Regional manager of the Banque Saudi Fransi	Regional manager of the Saudi Hollandi Bank	Bachelor in Business Administration.	banking sector and banking services.
4	Eng. Sami Abdulaziz Mohammed Al-Suwaigh	Retired	President of Saudi Petrochemical Company (SADAF), SABIC.	Bachelor in industrial management.	Petrochemical sector.

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5	Dr. Sultan Mohammad Ahmed Al-Sulaiman	Manager of real estate projects Department in GOSI.	GOSI	Bachelor in mechanical engineering. Master in mechanical engineering. Master in Business Administration. PhD in Project Management.	Management of real estate projects.
6	Eng. Mohammed Khalifah Abdullatif Al-Mulhem	Business Development Manager at the Buildings System for Concrete Factory	Civil engineer at the Saudi Arabian Oil Company (Aramco)	Bachelor in civil engineering.	Industrial and commercial projects.
7	Eng. Abdulaziz Abdullah Megbel Al-Habardi	Retired	Arabian Petrochemical Company (PETROKEMYA), SABIC.	Bachelor in mechanical engineering.	Petrochemical sector.
8	Abdullah Abdulrahman Buali	Retired	Financial advisor to the CEO of Marafiq Co. SABIC (29 years). Marafiq. Chemanol	Bachelor of Industrial Management. Master of Engineering Management. PhD in Industrial Engineering.	Petrochemical Utilities sectors.

### C) Executive Management:

No.	Name	Current Position	Previous Position	Qualifications	Experiences
1	Fahad S. Al-Matrafi	CEO	Business & Development Manager in Ibn Zaher, SABIC.	Bachelor in Chemical Engineering. MBA for Executives.	25 years in Petrochemical field.
2	Mamdouh H. Al-Amri	VP Projects	Operation Manager in United, SABIC.	Bachelor in Chemical Engineering. Master in Environmental Science	25 years in Petrochemical field.
3	Ahmed E. Bu-Hazza	Supply Chain GM	Manufacturing and Excellence GM (SABIC).	Bachelor in Mechanical Engineering.	35 years in Petrochemical field.
4	Ali M. Al-Shahrani	Operations GM	Operation Manager in United, SABIC.	High School.	27 years in Petrochemical field.
5	Abdullah A. Boaysha	Technical GM	Maintenance Executive Manager in Kayan, SABIC.	Bachelor in Mechanical Engineering.	18 years in Petrochemical field.
6	Mohammed S. Al-Otaibi	Admin. GM	HR GM in Tasnee.	Bachelor in Computer Engineering.	16 years in Petrochemical field.
7	Patrick Townsend	CFO	Group Treasury Manager in Ma'aden.	Bachelor in Engineering. Chartered Accountant.	32 years in project financing.

Classification: **Internal Use**

**30) Names of Companies Inside or Outside the Kingdom of Which a Member of the Company's Board of Directors is a Member of its Current and Previous Boards of Directors or One of its Managers:**

Member's Name	Names of Companies in which the Company's member is a member of their current board or one of its managers	Inside the kingdom / outside the kingdom	Legal Entity (Listed Joint Stock Co. / Closed Joint Stock Co. / Limited Liability Co.)	Names of Companies in which the Company's member is a member of their previous board or of its managers	Inside the kingdom / outside the kingdom	Legal Entity (Listed Joint Stock Co. / Closed Joint Stock Co. / Limited Liability Co.)
Mr. Khalifa Abdullatif Abdullah Al-Mulhem	Advanced Petrochemical Company.	Inside kingdom	Listed Company	SABB		Listed Company
	Saudi White Cement Co.	Inside kingdom	Listed Company	Saudi Spanish Bank	Outside Kingdom	Listed Company
	National Shipping Company of Saudi Arabia.	Inside kingdom	Listed Company	Nama Chemicals Co.		Listed Company
	Al Jazeera Support Services Company.	Inside kingdom	LLC	AL Ittefaq Steel Co.		Closed Joint Stock Co.

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	Walaa Cooperative Insurance Company.	Inside kingdom	Listed Company			
	Aljazira bank.	Inside kingdom	Listed Company			
	Advanced Global Investment Company.	Inside kingdom	LLC			
	Advanced Renewable Energy Company.	Inside kingdom	LLC			
Mr. Waleed Mohammed Abdullah Al-Jaafari	Advanced Petrochemical Company.	Inside kingdom	Listed Company			
	Walaa Cooperative Insurance Company.	Inside kingdom	Listed Company			
	Eastern Province Cement Co.	Inside kingdom	Listed Company			
	Gulf Real Estate Development Company	Inside kingdom	Closed Joint Stock Co.			
	Siyaha international Company.	Inside kingdom	Closed Joint Stock Co.			
	al-dawaa medical services co. ltd	Inside kingdom	LLC			

Classification: **Internal Use**

Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	Advanced Petrochemical Company.	Inside kingdom	Listed Company	The Mediterranean and Gulf Insurance and Reinsurance Co.	Inside kingdom	Listed Company
	Global Anti Corrosion Techniques Co.	Inside kingdom	Closed Joint Stock Co.	Tourism Enterprise (Shams) Co.	Inside kingdom	Listed Company
	Sofinco Saudi Fransi Co.	Inside kingdom	Closed Joint Stock Co.	Saudi fransi leasing Company.	Inside kingdom	Closed Joint Stock Co.
Eng. Sami Abdulaziz Mohammed Al-Suwaigh	Advanced Petrochemical Company.	Inside kingdom	Listed Company	Saudi Iron & Steel Co.(Hadeed)	Inside kingdom	LLC
	Chemanol Company.	Inside kingdom	Listed Company	Saudi European Petrochemical Company	Inside kingdom	LLC
				Arabian Petrochemical Company (PETROKEM YA).	Inside kingdom	LLC
				Saudi Petrochemical Company (Sadaf).	Inside kingdom	LLC
Dr. Sultan Mohammad Ahmed	Advanced Petrochemical Company.	Inside kingdom	Listed Company	United Petrochemical Company	Inside kingdom	LLC

Classification: **Internal Use**

Al-Sulaiman						
Eng. Mohammed Khalifah Abdullatif Al-Mulhem	Advanced Petrochemical Company.	Inside kingdom	Listed Company			
	AL Ittefaq Steel Co.	Inside kingdom	Closed Joint Stock Co.			
	Al Jazeera Support Services Company.	Inside kingdom	Closed Joint Stock Co.			
Eng. Abdulaziz Abdullah Megbel Al-Habardi	Advanced Petrochemical Company.	Inside kingdom	Listed Company	Saudi Kayan Petrochemical.	Inside kingdom	Listed Company
				Arabian Petrochemical Company	Inside kingdom	LLC
				Saudi Petrochemical Company (Sadaf).	Inside kingdom	LLC
				Eastern Petrochemical Company (Sharq).	Inside kingdom	LLC
Dr. Badr Osama H. Johar	Advanced Petrochemical Company.	Inside kingdom	Listed Company			
	Cement Product Industry Ltd. Co.	Inside kingdom	LLC			
	Qatrana Cement Company	outside	Private Joint			

Classification: **Internal Use**

		kingdom	Stock Co.			
Dr. Ali Siddiq Ali Al-Hakami	Advanced Petrochemical Company.	Inside kingdom	Listed Company	Obeikan Riverdeep Company	Inside kingdom	LLC
	Knowledge Economic City.	Inside kingdom	Listed Company	Cambridge Obeikan Company Ltd	Inside kingdom	LLC
	Al-Tanmiah Company For Education And Training.	Inside kingdom	LLC	Adhwa Alriyadh Educational Co.	Inside kingdom	LLC
	Rehab Al Maarfa private schools Company.	Inside kingdom	LLC			
	Na'am for Investment Co., Single Shareholder Co.	Inside kingdom	LLC			

**31) Formation of the Board of Directors and Classification of its Members as Follows: Executive Board Member - Non-Executive Board Member - Independent Board Member:**

Member's Name	Membership Classification (Executive – Non Executive – Independent)
Mr. Khalifa Abdullatif Abdullah Al-Mulhem	Non-Executive
Mr. Waleed Mohammed Abdullah Al-Jaafari	Non-Executive
Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	Non-Executive

Classification: **Internal Use**

Eng. Sami Abdulaziz Mohammed Al-Suwaigh	Non-Executive
Dr. Sultan Mohammad Ahmed Al-Sulaiman	Independent
Eng. Mohammed Khalifah Abdullatif Al-Mulhem	Non-Executive
Eng. Abdulaziz Abdullah Megbel Al-Habardi	Independent
Dr. Badr Osama H. Johar	Independent
Dr. Ali Siddiq Ali Al-Hakami	Independent

**32) Actions Taken by the Board of Directors to Inform its Members - Especially Non-Executives - of shareholders' Suggestions and Comments about the Company and its Performance:**

The Chairman of the Board of Directors and the CEO of the Company inform the members of the Board of Directors of the opinions, proposals or remarks of the shareholders about the Company and its performance and discuss the same (if any) with them. The Chairman of the Board also briefs and communicates the views of the shareholders to the Board of Directors during the Board meetings without the presence of any executive member as needed.

**33) A brief Description of the Committees' Powers and Responsibilities such as: the Audit Committee, the Nomination and Remuneration Committee, the Executive Committee and Investment Committee, with Stating the Names of the Committees, their Chairmen and Members, the Number of their Meetings, Dates of their Meetings, and Attendance Information for Members for Each Meeting:**

Classification: **Internal Use**

The Board of Directors and the General Assembly approved the organizational regulations and policies for each of the following: the Nominations and Remuneration Committee, the Audit Committee, Investment Committee and the Executive Committee. These regulations and policies clarified the formation of each committee in terms of the membership duration of its members, its responsibilities, powers, working method and its meetings. The committees are formed as follows:

#### **Nomination and Remuneration Committee:**

The Board of Directors has formed a Nomination and Remuneration Committee. The committee held seven meetings during the year 2020 and consists of four members:

√ Attended X Not Attended

Name	Type of Membership	No. of Meetings					
		1 <sup>st</sup> Meeting 2/1/2020	2 <sup>nd</sup> Meeting 24/3/2020	3 <sup>rd</sup> Meeting 22/6/2020	4 <sup>th</sup> Meeting 23/6/2020	5 <sup>th</sup> Meeting 28/9/2020	6 <sup>th</sup> Meeting 18/11/2020
<b>Dr. Sultan Sulaiman</b>	Chairman	√	√	√	√	√	√
<b>Mr. Khalifa Al-Mulhem</b>	Member	√	√	√	√	√	√
<b>Mr. Waleed Al-Jaafari</b>	Member	√	√	√	√	√	√
<b>Mr. Abdulaziz Al-Mulhem</b>	Member	√	√	√	√	√	√

Classification: **Internal Use**

**The committee has the following responsibilities:**

1. Reviewing the matters referred to it by the Board and submitting its recommendations to the Board to issue decisions in connection therewith, or taking decisions by itself if so delegated by the Board;
2. The Committee may seek assistance from any experts or specialists, whether internal or external, within the scope of its powers. This shall be included in the minutes of the Committee meeting together with the name of the expert and his relation to the Company or its Executive Management;
3. Preparing a clear policy for the remunerations of the Board members and its committees and the Executive Management, and presenting such policy to the Board in preparation for approval by the General Assembly, provided that such policy follows standards that linked to performance, and disclosing and ensuring the implementation of such policy;
4. Clarifying the relation between the paid remunerations and the adopted remuneration policy, and highlighting any material deviation from that policy.
5. periodically reviewing the remuneration policy and assessing its effectiveness in achieving its objectives;
6. providing recommendations to the Board in respect of the remunerations of its members, the committees members and Senior Executives, in accordance with the approved policy;
7. suggesting clear policies and standards for membership of the Board and the Executive Management;
8. providing recommendations to the Board for the nomination or re-nomination of its members in accordance with approved policies and standards, taking into account that nomination shall not include any person convicted of a crime involving moral turpitude or dishonesty;
9. preparing a description of the capabilities and qualifications required for membership of the Board and Executive Management positions;
10. determining the amount of time that the Board director shall allocate to the activities of the Board;

**Classification: Internal Use**

- 11.annually reviewing the skills and expertise required of the Board members and the Executive Management;
- 12.reviewing the structure of the Board and the Executive Management and providing recommendations regarding changes that may be made to such structure;
- 13.annually ensuring the independence of Independent Directors and the absence of any conflicts of interest if a Board member also acts as a member of the Board of directors of another Company ;
- 14.providing job descriptions for the Executive, Non-Executive and Independent Directors and the Senior Executives ;
- 15.setting up procedures to be followed if the position of a member of the Board or a Senior Executive becomes vacant; and
- 16.Determining the strengths and weaknesses of the Board and recommending remedia solutions in line with the Company's interest.

### Audit Committee

The General Assembly formed the Audit Committee. The committee held five meetings in 2020 and it consists of four members:

√ Attended X Not Attended

Name	Type of Membership	No. of Meetings				
		1 <sup>st</sup> Meeting 30/1/2020	2 <sup>nd</sup> Meeting 23/2/2020	3 <sup>rd</sup> Meeting 3/5/2020	4 <sup>th</sup> Meeting 28/7/2020	5 <sup>th</sup> Meeting 28/10/2020
Abdullah Buali	Chairman	√	√	√	√	√
Mr. Abdulaziz Al-Mulhem	Member	√	√	√	√	√
Dr. Sultan	Member	√	√	√	√	√

Classification: **Internal Use**

Al-Sulaiman						
Mr. Waleed Al-Jaafari	Member	✓	✓	✓	✓	✓

The Audit Committee is responsible for monitoring the Company's businesses and ensuring the integrity and effectiveness of the reports, financial statements and internal control systems. The duties of the Audit Committee shall particularly include the following:

### 1. Financial Reports:

- Analyzing the Company's interim and annual financial statements before presenting them to the Board and providing its opinion and recommendations thereon to ensure their integrity, fairness and transparency;
- Providing its technical opinion, at the request of the Board, regarding whether the Board's report and the Company's financial statements are fair, balanced, understandable, and contain information that allow shareholders and investors to assess the Company's financial position, performance, business model, and strategy;
- Reviewing any important or non-familiar issues contained in the financial reports;
- Thoroughly investigating any issues raised by the Company's Chief Financial Officer or any person assuming his/her duties or the Company's Compliance Officer or the Auditor;
- Verifying the accounting estimates in respect of significant matters that are contained in the financial reports; and
- Reviewing the accounting policies followed by the Company and providing its opinion and recommendations to the Board thereon.

### 2. Internal Audit:

Classification: **Internal Use**

- Examining and reviewing the Company's internal and financial control systems and risk management system;
- Analyzing the internal audit reports and following up the implementation of the corrective measures in respect of the remarks made in such reports; and
- Monitoring and overseeing the performance and activities of the Internal Auditor and internal audit department of the Company to ensure the availability of the necessary resources and their effectiveness in performing the assigned activities and duties. If the Company does not have an Internal Auditor, the Committee shall submit its recommendation to the Board regarding whether there is a need to appoint one.
- Providing a recommendation to the Board on appointing the manager of the internal audit unit/department, or the internal auditor and suggest his/her remunerations.

### **3. External Auditor:**

- Providing recommendations to the Board to nominate external auditors, dismiss them, determine their remunerations, and assess their performance after verifying their independence and reviewing the scope of their work and the terms of their contracts;
- Verifying the independence of the external auditor, its objectivity, fairness, and effectiveness of the audit activities, taking into account the relevant rules and standards;
- Reviewing the plan of the Company's external auditor and its activities, and ensuring that it does not provide any technical or administrative works that are beyond its scope of work, and provides its opinion thereon;
- Responding to queries of the Company's external auditor; and
- Reviewing the external auditor's reports and its comments on the financial statements, and following up the procedures taken in connection therewith.

### **4. Ensuring Compliance:**

- Reviewing the findings of the reports of supervisory authorities and ensuring that the Company has taken the necessary actions in connection therewith;
- Ensuring the Company's compliance with the relevant laws, regulations, policies and instructions;
- Reviewing contracts and transactions proposed to be concluded by the Company with Related Parties , and providing its recommendations to the Board in connection therewith; and
- Reporting to the Board any issues in connection with what it deems necessary to take action on, and providing recommendations as to the steps that should be taken.

### Executive Committee:

The Board of Directors formed the Executive Committee. The committee held nine meetings during the year 2020 and it consists of five members:

√ Attended X Not Attended

Names		Mr. Khalifa Al-Mulhem	Mr. Abdulaziz Al-Mulhem	Eng. Sami Al-Suwaigh	Eng. Mohammed Al-Mulhem	Eng. Abdulaziz Al-Habardi
Type of Membership		Chairman	Member	Member	Member	Member
No. of Meetings	1 <sup>st</sup> Meeting 9/2/2020	X	√	√	√	√
	2 <sup>nd</sup> Meeting 26/2/2020	√	√	√	√	√
	3 <sup>rd</sup> Meeting 29/4/2020	√	√	√	√	√
	4 <sup>th</sup> Meeting 20/5/2020	√	√	√	√	√
	5 <sup>th</sup> Meeting 27/7/2020	√	√	√	√	√
	6 <sup>th</sup> Meeting 9/9/2020	√	√	√	√	√
	7 <sup>th</sup> Meeting 29/10/2020	√	√	√	√	√
	8 <sup>th</sup> Meeting 10/11/2020	√	√	√	√	√
	9 <sup>th</sup> Meeting 2/12/2020	√	√	√	√	√

The Committee's responsibilities are summarized in making appropriate decisions about the Project's activities and the issues that the executive management does not have the authority to decide or approve according to the approved schedule of authority of the Company , and it also review the topics referred to it by the

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Company's board of directors for the purpose of examining them from all aspects and making recommendation to the Company's board of directors with its opinion in preparation for taking the appropriate decision By the board.

## Investment Committee

The Board of Directors formed the Investment Committee, and the committee held one meeting during the year 2020 and it consists of three members:

√ Attended X Not Attended

Name	Type of Membership	No. of Meetings
		1 <sup>st</sup> Meeting 04/11/2020
Dr. Badr Osama H. Johar	Chairman	√
Mr. Waleed Al-Jaafari	Member	√
Mr. Abdulaziz Al-Mulhem	Member	√

### The responsibilities of the committee include the following:

- Approval of investing the total fund allocated by the Board for investments, with an objective to maximize its returns with acceptable risk.
- Approval of appointing the investment manager(s) or fund managers as appropriate based on expertise, past performance and their credit rating and recommendation of Executive Management.
- Ensure these investments are carried out in full compliance with CMA regulations for investments by listed entities in the Kingdom of Saudi Arabia.
- Ensure all investments are in full compliance with Islamic Sharia.
- Agreeing with the Board on the maximum limit of risks level for each category of the assets and for the portfolio in general.
- Receiving and reviewing the periodic investment performance reports and submitting recommendations to the Board as appropriate.

**34) The means adopted by the Board of Directors in evaluating its performance and the performance of its committees and their members, and the external entity that performed the evaluation and its relationship to the Company , if any:**

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The Company has implemented the procedures stipulated in the Nomination and Remuneration Committee Charter and other related policies, and the Company has not appointed any external entity for evaluation in 2020.

**35) Disclosure of the remunerations of the members of the Board of Directors and the Executive Management in accordance with the provisions of article (93) of the Corporate Governance Regulations:**

**A) Remuneration policy for board members and executive management of the Company:**

The updated Remunerations Policy was disclosed in the announcement published on the Tadawul website on September 18, 2019 regarding the announcement of the result of 8TH Extraordinary General Assembly Meeting, and it was approved by the General Assembly .

## B) Remunerations and compensations for members of the Board of Directors

The following are details of the remunerations and compensations paid to board members:

	Variable remunerations						Total	Variable remunerations						Total	End-of-service award	Aggregate Amount	Expenses Allowance
	Specific amount	Allowance for attending Board meetings	Total Allowance for attending committee meetings committee	In-kind benefits	Remunerations for technical, managerial and consultative work	Remunerations of the chairman, Managing Director or Secretary, if a member		Percentage of the profits	Periodic remunerations	Short-term incentive plans	Long-term incentive plans	Granted shares (insert the value)					
<b>First : Independent Members</b>																	
Abdulaziz Abdullah Al-Habardi	6,000	24,000	45,000	-	-	-	75,000	-	75,000	-	-	-	75,000	-	150,000	-	
Sami Abdulaziz Al-Suwaigh	6,000	24,000	45,000	-	-	-	75,000	-	300,000	-	-	-	300,000	-	375,000	-	
Badr Osama Johar	1,500	24,000	5,000	-	-	-	30,500	-	75,000	-	-	-	75,000	-	105,500	6,930	
Ali Siddiq Al-Hakami	-	24,000	-	-	-	-	24,000	-	75,000	-	-	-	75,000	-	99,000	-	
*Sultan Mohammad Al-Sulaiman	4,500	24,000	60,000	-	-	-	88,500	-	400,000	-	-	-	400,000	-	488,500	7,376	
*Khaled Abdulrahman Al-Omran	-	-	-	-	-	-	-	-	225,000	-	-	-	225,000	-	225,000	-	
*Yasser Abdulaziz Abu Ateeq	-	-	-	-	-	-	-	-	225,000	-	-	-	225,000	-	225,000	-	
*Hani Abdulaziz Al-Tarkait	-	-	-	-	-	-	-	-	225,000	-	-	-	225,000	-	225,000	-	
<b>Total</b>	<b>18,000</b>	<b>120,000</b>	<b>155,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>293,000</b>	<b>-</b>	<b>1,600,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,600,000</b>	<b>-</b>	<b>1,893,000</b>	<b>14,306</b>	
<b>Second : Non Executive Members</b>																	
Khalifa Abdullatif Al-Mulhem	1,500	24,000	75,000	-	-	-	100,500	-	300,000	-	-	-	300,000	-	400,500	-	
Waleed Mohammed Al-Jaafari	1,500	24,000	60,000	-	-	-	85,500	-	400,000	-	-	-	400,000	-	485,500	-	
Mohammed Khalifah Al-Mulhem	-	24,000	45,000	-	-	-	69,000	-	75,000	-	-	-	75,000	-	144,000	-	
Abdulaziz Abdullah Al-Mulhem	1,500	24,000	110,000	-	-	-	135,500	-	400,000	-	-	-	400,000	-	535,500	-	
<b>Total</b>	<b>4,500</b>	<b>96,000</b>	<b>290,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>390,500</b>	<b>-</b>	<b>1,175,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,175,000</b>	<b>-</b>	<b>1,565,500</b>	<b>-</b>	
<b>Third: Executive Members</b>																	
*Abdullah Muqbel Al-Qarawi	-	-	-	-	-	-	-	-	225,000	-	-	-	225,000	-	225,000	-	
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>225,000</b>	<b>-</b>	<b>225,000</b>	<b>-</b>	

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### C) Remunerations and compensations for Senior Executives:

Below are details of the remunerations and compensations paid to the Executive Management:

Item	Seven Senior Executives including the CEO & CFO
Salaries & Comensation	7,010,364
Allowances	2,577,320
Annual Periodic Remunerations	851,849
Incentive Plans	2,004,794
Comensation & In-Kind Benefits	None
<b>Total</b>	<b>12,444,327</b>

### D) Remunerations and compensations for members of the committees:

The following are details of the remunerations and compensations paid to Committees' members:

	Fixed Remuneration (Except for the allowance for attending Board meetings)	Allowance for attending Board meetings	Total
<b>Audit Committee Members</b>			
Abdullah Abdulrahman Buali	3,000	25,000	28,000
Abdulaziz Abdullah Al-Mulhem	-	25,000	25,000
Sultan Mohammad Al-Sulaiman	4,500	25,000	29,500
Waleed Mohammed Al-Jaafari	-	25,000	25,000
<b>Total</b>	<b>7,500</b>	<b>100,000</b>	<b>107,500</b>
<b>Nomination and Remuneration Committee Members</b>			
Sultan Mohammad Al-Sulaiman	1,500	35,000	36,500
Khalifa Abdullatif Al-Mulhem	-	35,000	35,000
Waleed Mohammed Al-Jaafari	-	30,000	30,000
Abdulaziz Abdullah Al-Mulhem	-	35,000	35,000
<b>Total</b>	<b>1,500</b>	<b>135,000</b>	<b>136,500</b>
<b>Executive Committee Members</b>			
Khalifa Abdullatif Al-Mulhem	-	40,000	40,000
Abdulaziz Abdullah Al-Mulhem	-	45,000	45,000
Sami Abdulaziz Al-Suwaigh	6,000	45,000	51,000
Mohammed Khalifah Al-Mulhem	-	45,000	45,000
Abdulaziz Abdullah Al-Habardi	6,000	45,000	51,000
<b>Total</b>	<b>12,000</b>	<b>220,000</b>	<b>232,000</b>
<b>Investment Committee Members</b>			
Badr Osama Johar	-	5,000	5,000
Waleed Mohammed Al-Jaafari	-	5,000	5,000
Abdulaziz Abdullah Al-Mulhem	-	5,000	5,000
<b>Total</b>	<b>-</b>	<b>15,000</b>	<b>15,000</b>

36) Any Penalty, Sanction, Precautionary Measure, or Precautionary Restriction Imposed on the Company by the Authority or any Supervisory, Regulatory or Judicial Authority, with an Explanation of the Causes of the Violation, Name of the Imposing Authority, and the Means of Remediating it and Avoiding its Occurrence in the Future:

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There is no penalty or sanction imposed on the Company by the Capital Market Authority or by any other supervisory, regulatory or judicial authority during the fiscal year 2020.

**37) The Results of the Annual Review of the Effectiveness of the Company's Internal Control Procedures, in Addition to the Audit Committee's Opinion on the Adequacy of the Company's Internal Control System:**

The Audit Committee reviews periodic reports on the evaluation of internal control procedures in terms of organization and application, and many periodic and special review processes have been implemented that would ensure the accuracy and effectiveness of performance and quality, in addition to contributing to the review of the initial financial statements and their approval based on the delegated powers granted to it by the Board of Directors, and coordinates the activities of the external supervisory authorities. The audit committee reviewed the reports, and it did not discover any significant or fundamental weakness in the Company's internal control systems.

**38) Recommendation of the Audit Committee Regarding the Need to Appoint an Internal Auditor in the Company if there is Non:**

No recommendation was issued from the Audit Committee regarding the need to appoint an internal auditor, due to the presence of the internal audit team in the Company that informs the Audit Committee periodically of its responsibilities, administrative powers and tasks assigned to it.

**39) Recommendations of the Audit Committee Which are in Conflict with the Decisions of the Board of Directors, or Which the Board Refused to Adopt Regarding the Appointment and Dismissal of the Company's External Auditor, Determining his Fees and Evaluating his Performance or Appointing**

### **the Internal Auditor, the Justification for these Recommendations, and the Reasons for not Adopting Them:**

There were no any recommendation by the Audit Committee that were in conflict with the decisions of the Board of Directors regarding the appointment of the Company's External Auditor, his dismissal, determination of his fees, evaluation of his performance, or the appointment of the internal auditor.

#### **40) Company's Social Contribution:**

Supporting the community programs is one of the priorities and duties of Advanced Petrochemical Company that the Company seeks to fulfill and takes care of in everything that contributes to support activities and programs and sponsor events of value and benefit to the individual and society, whether inside or outside Jubail.

The Company has established a Responsible Care Committee, which has five sub-committees that are responsible for implementing awareness programs of value to the community, whether for the Company's employees or for the community in Jubail or the region, in addition to involving volunteers from the Company's employees in implementing the programs, believing in the volunteer work mission.

The community sectors that Advanced contributed to support its activities are the following:

##### **1. Awareness programs:**

The Company has implemented many programs and initiatives as follows:

- Awareness programs inside and outside the Company, which included awareness of Corona virus, methods of its transmission and methods of prevention for employees, their families, and contractors.
- Exclusive sponsorship of the awareness program for the Education of Jubail Governorate, which targets male and female students and the administrative staff of Jubail schools and Education Office.

- Sponsoring a two-year training project targeting reception staff in the government and private sectors to train them on the basics of dealing with the Deaf People.
- Supporting the family awareness programs implemented by the Mahabba Association in Jubail Industrial City, which specializes in reconciliation between spouses and dealing with adolescents.

## 2. Guidance and Iftar for Fasters:

- Supporting the Guidance offices in Jubail and implementing the Ramadan Iftar program during of Corona epidemic - where meals were delivered directly to the workers' residence.

## 3. Education:

- Providing 100 devices (tablets) for needy students - to complete their education remotely during the Corona epidemic, in cooperation with the Education Department of the Royal Commission in Jubail.
- Implementing the Advanced Clinic Program, which provides an integrated medical clinic in schools in the Eastern Region - an integrated clinic that includes an examination bed, a wheelchair, a medicine refrigerator, blood pressure and sugar gauges, a ventilator, all first aid needs, and a locker for storing equipment and aid tools, in which has been distributed to (34) schools and neighborhood club, to include: Dhahran - Khobar - Dammam - Jubail - Na'aria - Olaya village - Hafr Al-Batin, and which is implemented for a period of (3) years to include (50) schools by the end of 2022.
- Provide annual support for school transport in Jubail Industrial City.

## 4. Charities

- Implementing the Food Basket Program with the participation of Advanced volunteer team (the Company team), where more than (1000) food baskets were distributed to needy families and affected families in Al-Ahsa, Dammam, Jubail and Hafar Al-Batin in cooperation with the Charitable Society in the region.
- Supporting the programs of the Holy Quran Education Association in Jubail - where the Company annually sponsors the programs of the Association as a diamond sponsor.
- Signing an agreement with the Eastern Region Cancer Society under the generous patronage of His Royal Highness, the Eastern Governor.

#### **5. Mosques Caring in Jubail:**

Implementing the Mosques Caring Program to include rehabilitation of toilets, maintenance, sterilization and carpet cleaning.

#### **6. Program for Supporting the Children of the Martyrs of Duty.**

The Company has provided support to the children of martyrs by providing many jobs in cooperation with the Association of the Martyrs of Duty, in addition to the Company's sponsorship of the Academic Excellence Program for the children of martyrs in cooperation with the the Eastern Province Education.

#### **7. Equestrian races:**

Sponsoring number of equestrian field races in the equestrian field in Jubail governorate to encourage this inveterate sport.

## 8. Health and Environment:

- Providing financial support to the Health Endowment Fund designated to support the Ministry of Health during the Corona epidemic.
- Providing financial support to the Royal Commission in Jubail to manage health quarantines in Jubail during the Corona pandemic.
- Providing financial support to the Hayat Medical Association in Madinah in order to implement educational and medical awareness programs within the affected neighborhoods of Medina at the beginning of the Corona pandemic.
- Sponsoring the Bee'ah initiative, which is implemented in partnership with Hera Primary School, to include establishing a permanent environmental exhibition, implementing environmental awareness programs between schools in the city, and environmental care programs.
- Sponsoring a qualitative initiative implemented by Al-Riyadh Primary School in Jubail, which aims to create a creative digital generation, as the Company fully adopted it for the next three years.

## 9. Rehabilitation and Disability Associations:

Providing financial support to Al-Ber Charity Association to be disbursed to needy families in the region, especially with the increase in demand during the Corona pandemic, and part of the support is spent for Deaf People Programs registered in the Comprehensive Rehabilitation Center.

## 10. Sponsoring Events:

- Supporting social and entertainment programs in Jubail, such as the National Day activities sponsored by the Governor of Jubail.
- Sponsoring business youth programs in the Eastern Province, under the generous patronage of His Highness the Deputy Governor of the Eastern Province.

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### 11. Medical Insurance for Widows:

Providing medical insurance for Kanaf Charitable Society beneficiaries (orphans, widows, needy families) within the Eastern Province for a period of (3) years.

### 12. World Civil Defense Day:

Supporting and sponsoring the activities of the International Day of Civil Defense in the month of March 2020, in which awareness activities were presented to the family in particular and society in general.

#### 41) A Statement of the Dates of the Shareholders' General Assemblies Held During the Last Fiscal Year and the Names of the Members of the Board of Directors Attending these Assemblies:

√ Attended X Not Attended

Name	No. of Meetings
	1 <sup>st</sup> Meeting 31/03/2020
Mr. Khalifa Abdullatif Abdullah Al-Mulhem	✓
Mr. Waleed Mohammed Abdullah Al-Jaafari	✓
Mr. Abdulaziz Abdullah Abdulaziz Al-Mulhem	✓
Eng. Sami Abdulaziz Mohammed Al-Suwaigh	✓
Dr. Sultan Mohammad Ahmed Al-Sulaiman	✓

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Eng. Mohammed Khalifah Abdullatif Al-Mulhem	✓
Eng. Abdulaziz Abdullah Megbel Al-Habardi	✓
Dr. Badr Osama H. Johar	✓
Dr. Ali Siddiq Ali Al-Hakami	✓

### Conclusion:

The Chairman and members of the Board of Directors of Advanced Petrochemical Company extend their sincere thanks and appreciation to the government of the Custodian of the Two Holy Mosques for the support it has given to the national industry. The Company thanks Ministry of Commerce, Ministry of Investment, Ministry of Energy, Ministry of Industry & Mineral Resources, Saudi Arabian Oil Company (Saudi Aramco), the Capital Market Authority, the Saudi Industrial Development Fund, the Royal Commission in Jubail and Yanbu, and all other governmental and private sectors for their constant support and cooperation.

The Board also thanks the esteemed shareholders for their valuable support and trust, and all the Company's employees for their sincere efforts and keenness to continue the progress and prosperity of the Company.